

FISCAL NOTE
HB 2327 - SB 2452

February 16, 2004

SUMMARY OF BILL:

1. Creates the Tennessee Water Resource Development Agency within the Department of Environment and Conservation, which is authorized to:
 - request and receive information from all branches of state and local government in order to prepare a statewide plan for the provision of potable water to all citizens of the state and to assure that no state or federal funds are used for the development of a water system that is not in compliance with the statewide plan upon its adoption.
 - prepare a statewide plan for providing drinkable water to all citizens of the state and to assure that systems that do not comply with the plans do not receive federal funds for the development of the system;
 - create a revolving loan fund for the purpose of facilitating compliance with state and federal standards for rural water supply. The fund shall provide Tennessee water systems with low-cost loans and other financial assistance for system improvements through the creation of a self-sustaining revolving loan program to improve rural access to water supply. The Department of Environment and Conservation may receive and use federal funds for the loan program, including and not limited to technical assistance, authorized by the federal act.
2. Provides the fund is to be used in coordination with state and federal assistance programs.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$328,747 Recurring
\$60,200 One-Time

Other Fiscal Impact - Increase Federal Revenues/Expenditures - \$2,000,000 First Year

Estimate assumes:

- the increase in federal revenues/expenditures will depend on the amount received from federal grants.
- no state funds will be used to provide seed money for the revolving loan fund; state funds will be used to fund expenses of administering the fund.
- establishes expenditure priorities of a loan pool to serve all citizens of the state regarding rural water supply.
- the establishment of seven positions and related expenses in the Department of Environment and Conservation.
- \$60,200 in one-time cost associated with providing office space, office equipment and computers.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director